

**BOARD OF CRIME CONTROL
SUBGRANT GUIDELINE INFORMATION
JANUARY 2006**

WHEN RESPONDING THROUGH MAIL OR PHONE CALLS PLEASE USE SUBGRANT NUMBER.

This financial guide is designed to help subgrantees in the administration of subgrants from the Montana Board of Crime Control (MBCC). This guide contains only the basic federal requirements. If there are any questions about the contents of the guide or about items not covered herein, staff of the MBCC will be available to assist you.

SUBGRANT AWARD CONTRACTS:

These are formal contracts enforceable by civil or criminal law so please be sure to read and have your official agency representative read all the special conditions and the subgrant certifications and make sure you are in compliance. Do not obligate subgrant funds before or after the duration dates of the grant. If needed, request an extension first.

If you have personnel changes in any of the positions such as official agency budget representative, project director, or financial officer, you must notify us so that new signatures may be obtained for the subgrant.

PAYMENT OF SUBGRANT FUNDS:

Upon receipt by Crime Control of all necessary signed forms, startup funds will be released.

Upon receipt of your current financial status reports you will be reimbursed for the next quarter expenditures depending on your current cash on hand. If you are going to need more, please let us know. (Turn around time is approximately two or three weeks).

Emergency payments can be processed during the quarter, if for some reason your program runs short of funds. Please contact Glenda Grover at 444-2085, Connie Young at 444-7361, or Stacy Purdom at 444- 6678 and allow at least two weeks lead-time to when you will actually need the funds. MBCC Internet address is mbcc.mt.gov

SUBGRANT ADJUSTMENTS:

Your subgrant is approved based on the line item budget that was submitted with your application. You have authority to transfer money between line items so long as the change does not alter the original amount in any of the line items by more than 10%.

For changes in a line item of more than 10% you must submit a written request to Crime Control explaining the need for the change, the amounts and the affected line items. *Approval will not be granted over the phone.*

These changes require prior written approval using the Board of Crime Control Grant adjustment request form and funds should not be committed until approval is received. If your request is approved, you will receive a formal grant adjustment notice altering the original award contract.

Subgrants will be closed for the amount of actual expenditures and unused MBCC funds will be refunded to our agency. Requests for adjustments near the end of the grant solely for the purpose of expending remaining grant monies will be denied.

A subgrant extension can be granted by MBCC staff based on a formal request from the subgrantee, except where prohibited by federal guidelines. Requests must be received at least 30 days prior to the grant expiration date.

QUARTERLY REPORTS:

Quarterly financial and quarterly narrative reports are due 20 days after the end of each quarter. Release of additional funds is subject to the receipt of these reports. A report is due for the first quarter in which your grant is active and each quarter after until complete. *Grants are conditioned for timely receipt of reports.*

<u>QUARTER ENDING</u>	<u>DUE DATE</u>
September 30	October 20
December 31	January 20
March 31	April 20
June 30	July 20

FIRST LATE REPORT: Follow existing policy, which requires a written warning notice – Subgrantee will be notified to cease all expenditures of grant funds until the reports are submitted.

SECOND LATE REPORT: Cancel the grant. Project must appear before the Subgrant Review Committee and petition to get the grant reinstated.

Even if you have not had any expenditures for the quarter, you must still submit a report for the first quarter ending date after the beginning of your grant, advising us there have been no expenditures. Just put zeros in the appropriate expenditure lines and submit the report on time to avoid being counted as delinquent.

If your grant requires matching funds, it is advisable to expend your match proportionately each quarter. For example, if your grant has a 70% \ 30% matching requirement then you should try and allocate the total expenditures for the quarter in the same ratio. This will not always be possible but when possible it helps to eliminate a lot of adjustments at the end of a grant.

The Financial Status Report forms are mailed to you the end of the month prior to the due date for the quarter ending. Please complete and return these reports as soon as possible in order that our staff can compile the necessary information to meet our federal reporting deadlines.

EQUIPMENT PURCHASES:

Purchases of less than \$5,000 require some semblance of “shopping around.” You should get at least three telephone bids and document your files accordingly. Purchases of more than \$5000 require at least three written bids. The process must be documented and acceptance of other than the lowest bid must be justified to the Board of Crime Control. Sole source procurement of items costing \$5,000 or more must receive prior approval from MBCC and be justified and documented.

INVENTORY:

Equipment purchased with grant funds must be identified and incorporated into an inventory system. A complete inventory should be performed at least once a year. **Items costing less than \$5,000 may be considered consumable supply and should be budgeted as an operating expense.** Items costing between \$400 and \$4,999 can be included on a local minor property inventory and should be included on your regular agency inventory.

Invoices or other documents that support expenditures and provide serial numbers for equipment (costing \$5,000 or more) *must be submitted* with the respective quarterly financial report for inclusion in our grant management inventory system.

Title to property purchased with grant funds shall be vested with the subgrantee so long as the property is used for criminal justice purposes. Contact Board of Crime Control for instructions prior to disposing of any equipment purchased with grant funds and costing \$5,000 or more.

PROGRAM INCOME:

Program income means gross income earned by the subgrantee as a direct result of the grant award and must be reported to MBCC. Charitable contributions or donations do not count as program income for the grant and do not need to be reported.

Program income must be added to the funds committed to the grant and may be used for any purpose that furthers the broad objectives of the legislation under which the grant was made (i.e., expanding the project, continuing the project, obtaining equipment or assets needed for the program). The federal portion of the program income must be accounted for (receipt and expenditure) up to the same ratio of federal participation as funded in the project. If the income is not used for the program then it must be used to reduce the federal share.

The receipt and expenditure of program income should be reported to MBCC separate from regular subgrant expenditures. A separate form is provided for that purpose. States or local units of government may use program income from seized and forfeited drug assets as match for a grant.

PROGRAM INTEREST:

Subgrantees who are on an advance method of payment will minimize the time elapsing between the transfer and disbursement of funds. Subgrantees should be aware that drawdown of excessive cash may result in cancellation of their advance method of funding. However, subgrantees that administer confidential funds may establish different procedures for administering confidential buy funds in order to provide quick access to funds to meet the needs of the project.

All subgrantees except state agencies and tribal organizations must account for interest earned on advances of federal funds as follows:

1. Local units of government may keep interest earned on Federal grant funds up to \$100 PER FEDERAL FISCAL YEAR. The maximum limit is not per award; it is inclusive of all interest earned as a result of all Federal grant program funds received per year.

2. Nonprofit organizations shall account for interest earned on Federal funds. Nonprofit organizations may keep interest earned on Federal grant funds up to \$250 PER FEDERAL FISCAL YEAR. This maximum limit is not per award; it is inclusive of all interest earned as a result of all Federal grant program funds received per year.
3. Tribal organizations SHALL NOT be held accountable for interest earned pending their disbursement by such organizations.

RENTAL SPACE

The cost of space in privately-or-publicly-owned buildings used for the benefit of the program is allowable subject to the conditions stated below:

The total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality.

The cost of space procured for program usage may not be charged to the program for periods of non-occupancy without authorization of the Federal awarding agency.

SUBGRANT AUDITS:

Recent changes to federal circular A-133 have changed the way audits may be contracted and paid for. **If your agency receives \$500,000 or more in federal assistance from all sources during the fiscal year you are required to have an audit conducted in accordance with federal circular A-133.** A prorate portion of the audit costs may be charged to your subgrant. A complete copy of the audit or audits spanning the life of the grant must be submitted to the Board of Crime Control within 9 months after the end of the grant.

If your agency does not receive \$500,000 in federal assistance from all sources during the fiscal year you are not required to arrange for an audit and may not charge audit costs to your subgrant. Under the new revisions MBCC may contract and pay for a limited scope audit of your project or perform an on site fiscal monitoring.

Please advise all project personnel of these changes. You will need to determine the level of federal assistance your agency receives and take appropriate action. If you have questions or need further information, please contact Don Merritt at 444-2076.

In addition to an audit your records may be reviewed or audited by Crime Control, State Legislative Auditors, or the Federal Grantor Agency. At a minimum you must retain all records and documents pertaining to your grant for a period of three years from the time you receive notification that your grant is complete.

NON-SUPPLANTING REQUIREMENT:

Funds or other resources of the applicant normally devoted to programs and activities designed to meet the needs of criminal justice will not be diminished in any way as a result of a grant award of Federal funds. The project for which assistance is being requested will be in addition to, and not a substitute for, criminal justice services previously provided without Federal assistance.

ACCOUNTING SYSTEM:

Separately account for the receipt of MBCC and matching funds under each subgrant awarded. Separately account for expenditures under each subgrant, even though it may be a project that is receiving continuation funding. Total costs and receipts must be identifiable under each subgrant award. Account for expenditures by budget category (personnel, contracted services, travel, equipment, and operation expense). Insure that adequate documentation supporting expenditures is available and cross-referenced to accounting records.

For Instance: employee time and attendance sheets must support Payrolls. Salaries of employees chargeable to more than one project must be supported by appropriate time distribution records.

Destination, mileage, rates, and purpose of travel, dates, and authorization, including proper receipts, must support travel claims.

Equipment and operating expenditures must be supported by invoices, sales slips, purchase orders bids, etc. Equipment should be inventoried annually.

TRAVEL REIMBURSEMENT:

Mileage reimbursement is 44.5 cents per mile.

If your lodging occurs on or after May 15 but before October 15 you are eligible to be reimbursed your actual out-of-pocket lodging expenses, not to exceed the federal per diem room rate of \$60.00, plus the taxes for any location in Montana. The federal per diem room rate for Montana and out-of-state is available through the Internet at the following location:

doa.mt.gov/doatravel/travelmain.asp

Allowable expenses include emergency working supplies, taxi fares, and business telephone calls. Paid receipts must support individual expense items of \$25.00 or more.

Meals	In-State	Out-of-state
Morning (12:01AM-10:00AM)	\$5.00	\$7.00
Midday Meal (10:01AM-3:00PM)	\$6.00	\$11.00
Evening Meal (3:01PM-12:00AM)	\$12.00	\$18.00

In order to claim reimbursement for a meal, you must be in a travel status for more than 3 continuous hours within one of the time ranges. To receive the morning meal you must leave before 7:00AM and to receive the evening meal you must return after 6:01 PM.

COSTS REQUIRING PRIOR APPROVAL:

Automatic Data Processing Equipment
Criminal Justice Information and Communication Systems
Equipment and other Capital Expenditures
Consultant Rates Over \$450/day

Proposal Costs
Preagreement Costs
Interest Expense

UNALLOWABLE COSTS: *Any item not included on budget or covered by a budget adjustment*

Land Acquisition
Compensation of Federal Employees
Travel of Federal Employees
Bonuses or Commissions
Military-Type Equipment
Foreign Travel (except Canada)

Lobbying
Fund Raising
Corporate Formation
Imputed Interest
State and Local Sales Taxes
Contributions or Honorariums

CONFERENCES AND WORKSHOP UNALLOWABLE COSTS: Entertainment, Laundry Charges, Visas, Passport Charges, Tips, Bar Charges, Sports.

Equal Employment Opportunity Plan (EEOP)

Federal regulations require recipients of federal funds prepare, maintain on file, submit to MBCC for review, and/or implement an Equal Employment Opportunity Plan (EEOP). The purpose of an EEOP Plan is to ensure full and equal participation of men and women regardless of race or national origin in the workforce. Below is a list of criteria to determine what you need to do to comply with federal regulations.

- An agency receiving \$500,000 or more in Federal funds and has 50 or more employees, must submit an Equal Employment Opportunity Plan (EEOP) to MBCC within 45 days of the date of award.
- If an agency has fewer than 50 employees, regardless of amount of award, no EEOP is required; however, the agency must fill out a Certification Form (included in packet) and return it to MBCC within 45 days of the date of award.
- Pursuant to the Dept of Justice regulations, each agency that receives \$25,000 or more but under \$500,000 in Federal funds and has 50 or more employees, is required to maintain an EEOP Plan on file and return Certification Form (included in packet).
- A recipient of under \$25,000 is not required to maintain or submit an EEOP Plan.
- Educational, non-profit or Indian Tribes are not required to maintain or submit an EEOP Plan.

Determine which of the above criteria your agency falls under, sign the applicable section of the form and **return it to MBCC**. If you need to submit an EEOP Plan, please contact MBCC.